

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 412

[CMS-1472-P]

RIN 0938-AL92

Medicare Program; Prospective Payment System for Long-Term Care Hospitals: Proposed Annual Payment Rate Updates and Policy Changes

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Proposed rule.

SUMMARY: In this proposed annual update of the payment rates for the Medicare prospective payment system (PPS) for inpatient hospital services provided by long-term care hospitals (LTCHs), we are proposing to change the annual period during which the updated payment rates for the LTCH PPS would be effective from October 1 through September 30 to July 1 through June 30. We also are proposing to change the publication schedule for these updates to allow for an effective date of July 1 (instead of August 1). The proposed payment amounts and factors used to determine the proposed updated Federal rates that are described in this proposed rule have been determined based on this proposed revised update rate year. In addition, we are proposing that the annual update of the long-term care diagnosis-related groups (LTC-DRG) classifications and relative weights will remain linked to the annual adjustments of the acute care hospital inpatient diagnosis-related group system, effective each October 1. The proposed outlier threshold for July 1, 2003 through June 30, 2004 would be derived from the proposed rate year calculations. In order to conform to a proposed change in the acute care hospital inpatient PPS (IPPS) outlier policy, we are proposing a change for outlier payments under the LTCH PPS.

We also are proposing a policy change eliminating bed-number restrictions for pre-1997 LTCHs that have established satellite facilities and that elect to be paid 100 percent of the Federal rate.

DATES: Comments will be considered if received at the appropriate address, as provided below, no later than 5 p.m. on May 6, 2003.

ADDRESSES: Mail written comments (an original and three copies) to the following address only: Centers for Medicare & Medicaid Services, Department of Health and Human

Services, Attention: CMS-1472-P, PO Box 8010, Baltimore, MD 21244-1850.

If you prefer, you may deliver, by hand or courier, your written comments (an original and three copies) to one of the following addresses:

Room 443-G, Hubert H. Humphrey Building, 200 Independence Avenue, SW., Washington, DC 20201, or
Room C5-14-03, Central Building, 7500 Security Boulevard, Baltimore, MD 21244-1850.

(Because access to the interior of the Humphrey Building is not readily available to persons without Federal Government identification, commenters are encouraged to leave their comments in the CMS drop slots located in the main lobby of the building. A stamp-in clock is available for commenters who wish to retain proof of filing by stamping in and keeping an extra copy of the comments being filed.)

Comments mailed to those addresses specified as appropriate for courier delivery may be delayed and could be considered late.

Because of staffing and resource limitation, we cannot accept comments by facsimile (FAX) transmission. In commenting, please refer to file code CMS-1472-P.

For information on viewing public comments, see the beginning of the **SUPPLEMENTARY INFORMATION** section.

For comments that relate to information collection requirements, mail a copy of comments to the following address:

Centers for Medicare & Medicaid Services, Office of Strategic Operations and Regulatory Affairs, Security and Standards Group, Regulations Development and Issuances Group Standards, PRA Reports Clearance Office, 7500 Security Boulevard, Baltimore, MD 21244-1850. Attn: John Burke, CMS-1472-P; and

Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3001, New Executive Office Building, Washington, DC 20503, Attn: Brenda Aguilar, CMS Desk Officer.

FOR FURTHER INFORMATION CONTACT:

Tzvi Hefter, (410) 786-4487 (General information)

Judy Richter, (410) 786-2590 (General information, transition payments, payment adjustments, and onsite discharges and readmissions)

Michele Hudson, (410) 786-5490 (Calculation of the payment rates, relative weights and case-mix index, and payment adjustments)

Tiffany Eggers, (410) 786-0400 (Market basket update, short-stay outliers and interrupted stays)

Ann Fagan, (410) 786-5662 (Patient classification system)

Miechal Lefkowitz, (410) 786-5316 (High-cost outliers and budget neutrality)

Linda McKenna, (410) 786-4537 (Payment adjustments and transition period)

Kathryn McCann, (410) 786-7623 (Medigap)

Robert Nakielny, (410) 786-4466 (Medicaid)

SUPPLEMENTARY INFORMATION:

Inspection of Public Comments

Comments received timely will be available for public inspection as they are processed, generally beginning approximately 4 weeks after publication of a document, in Room C5-12-08 of the Centers for Medicare & Medicaid Services, 7500 Security Blvd., Baltimore, MD, on Monday through Friday of each week from 8:30 a.m. to 5 p.m. Please call (410) 786-7197 to schedule an appointment to view public comments.

Availability of Copies and Electronic Access

Copies: To order copies of the **Federal Register** containing this document, send your request to: New Orders, Superintendent of Documents, PO Box 371954, Pittsburgh, PA 15250-7954. Specify the date of the issue requested and enclose a check or money order payable to the Superintendent of Documents, or enclose your Visa or Master Card number and expiration date. Credit card orders can also be placed by calling the order desk at (202) 512-1800 or by faxing to (202) 512-2250. The cost for each copy is \$10. As an alternative, you can view and photocopy the **Federal Register** document at most libraries designated as Federal Depository Libraries and at many other public and academic libraries throughout the country that receive the **Federal Register**.

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